

State of Alaska
Department of Administration
Occupancy Agreement for the Robert B. Atwood Building

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Tenant: Governor's Office

Suites: 1010, 1660, 1698, 1700, 1830

SECTION I: PARTIES & DESCRIPTION

The State of Alaska, Department of Administration, Division of General Services ("*Landlord*"), hereby leases to the State of Alaska, Office of the Governor ("*Tenant*") the premises at Suites 1010, 1660, 1698, 1700, 1830 (approximately 9,705 square feet) located on the 10th, 16th, 17th and 18th floors as shown on the floor plan(s) hatched in black and attached hereto as Exhibit "A" ("*Premises*") in the Robert B. Atwood Building, Anchorage, Alaska ("*Building*" or as the "*Property*") for the term, the rent and subject to the conditions and covenants hereinafter provided.

The term of this Agreement shall commence on July 1, 2000 and shall continue for a total of ten state fiscal years. The Premises are to be occupied and used solely by the Tenant. The Tenant may not sublet the Premises to another state agency. The Tenant may not sublet or use any other means to provide space to a private party without the written permission of the Landlord.

SECTION II: RENT

Consideration thereof, the parties covenant and agree as follows:

The Tenant shall pay to Landlord the sum of \$1.79¹ per useable square foot per month for the state fiscal year 2001. This amount represents a combined rate for monthly operating expenses and a monthly rate for depreciation. The amount is payable as monthly payments at the beginning of each month. The rate will be adjusted on a fiscal year basis

¹ The rate is the fiscal year rate approved and published by OMB plus any adjustments (+/-) as the result of the year-end reconciliation required in the approved Federal Cost Allocation Plan. The adjustments to rate for a fiscal year period will be to the degree legally possible assessed as adjustments to the future fiscal year rates.

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thereafter to reflect the increases in monthly operating expenses. Notice of this adjustment will be provided to the Tenant during the annual budget preparation.

SECTION III: SERVICES

The Landlord shall provide, at Landlord's expense except as otherwise provided, the following services:

- A. Janitorial services in and about the office space, Saturdays, Sundays and legal and union holidays excepted.
- B. Heating and, except for basement space, air-conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises, from 8:00 am to 5:00 pm Monday through Fridays, excepting union and legal holidays.
- C. Water for drinking, lavatory and toilet purposes, in public areas only.
- D. Passenger elevator services at all times.
- E. Window washing of all exterior windows, both inside and out.
- F. Reasonable amount of electricity.
- G. Whenever heat generating machines or equipment are used in the Premises which affect the temperature otherwise maintained by the air-conditioning system, Landlord reserves the right, at its option, either to require Tenant to discontinue the use of such heat generating machines or equipment or to install supplementary air-conditioning equipment in the Premises. The cost of operation and maintenance of said supplementary equipment shall be paid by the Tenant.
- H. Tenant covenants and agrees that at all times its use of electric current shall never exceed Tenant's proportionate share of the capacity of existing feeders to the Building or the risers or wiring installation. Any riser or risers or wiring to meet Tenant's excess electrical requirements, upon written requirement of Tenant will be installed by Landlord, at the sole cost and expense of Tenant, if in Landlord's sole judgment, the same is necessary and will not cause permanent damage or injury to the Building or Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alteration, repairs or expense or interfere with or disturb other occupants.
- I. It is understood that Landlord does not guarantee that any of the services referred to above, or any other services which Landlord may supply, will be free from interruption. Tenant acknowledges that any one or more such services may be suspended by reason of accident or of

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repairs, alteration or improvement necessary to be made or by strikes or lockouts or by reasons of operation of law or causes beyond the reasonable control of Landlord. Any such interruption or discontinuance of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof or render Landlord liable to Tenant for damages by abatement of rent or otherwise relieve Tenant from performance of Tenant's obligations under this Agreement.

- J. Landlord shall facilitate emergency preparedness plans and emergency drills.

SECTION IV: QUIET ENJOYMENT

So long as the Tenant shall observe and perform the covenants and agreements binding on it hereunder, the Tenant shall at all times during the term herein peacefully and quietly have and enjoy possession of the Premises without any encumbrance or hindrance by, from or through the Landlord.

SECTION V: CERTAIN RIGHTS RESERVED TO THE LANDLORD

- A. To constantly have pass keys to the Premises.
- B. At any time in the event of an emergency and otherwise at reasonable times, to take any and all measures, including inspections, repairs, alterations, additions and improvements to the Premises or to the Building as may be necessary or desirable for the safety, protection or preservation of the Premises or the Building. Or, as necessary to comply with all laws, orders and requirements of governmental or other authority.

SECTION VI: CONDITION OF PREMISES

Tenant's taking possession of the Premises shall be conclusive evidence against the Tenant that the Premises was in good order and satisfactory condition when the Tenant took possession, except as to latent defects. No promise of the Landlord to alter, remodel, repair or improve the Premises or the Building and not representation respecting the condition of the Premises or the building have been made by the Landlord to the Tenant other than as may be contained herein or in a separate Agreement signed by the Landlord and Tenant. At the termination of this lease, the Tenant shall return the Premises broom-clean and in as good condition as when the Tenant took possession, ordinary wear and loss by fire or other casualty excepted failing which the Landlord may restore the Premises to such condition and the Tenant shall pay the cost thereof on demand.

SECTION VII: USE OF PREMISES

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The Tenant agrees to comply with the following rules and regulations and with such reasonable modifications thereof and additions thereto as the Landlord may hereafter from time to time make for the Building.

- A. The Tenant will not make or permit to be made any use of the Premises or any part thereof which would violate any of the covenants, agreements, terms, provisions and conditions of this lease or which directly or indirectly is forbidden by public law, ordinance or governmental regulation or which may be dangerous to life, limb or property, or which may invalidate or increase the premium cost of any policy of insurance carried on the Building or covering its operations or which will suffer or permit the Premises or any part thereof to be used in a manner or anything to be brought into or kept therein which, in the judgment of the Landlord, shall in any way tend to impair the character, reputation or appearance of the property as a high quality office building, or which will impair or interfere with or tend to impair or interfere with any of the services performed by Landlord for the Property.
- B. The Tenant shall not display, inscribe, print, paint, maintain or affix on any place in or about the Building any sign, notice, legend, direction, figure or advertisement, except on the doors of the Premises, elevator lobby and on the Directory Board located in the main lobby. Signage shall match building standard in color, size, style, placement and materials. Signage shall be coordinated and procured through an approved vendor by Landlord. All cost associated with signage shall be at the expense of the Tenant.
- C. No additional locks or similar devices shall be attached to any door without Landlord's prior written consent. No keys for any door other than those provided by the Landlord shall be made. Keys and lock work shall be coordinated through the Building's property management office. Expenses for said work shall be at the sole cost of the Tenant.
- D. The Tenant shall not make any alterations, improvements, or additions to the Premises including but not limited to wall coverings, floor coverings, and special lighting installations, without the Landlord's advance written consent in each instance. Alterations, improvements, or additional desires whether temporary or permanent in character shall be coordinated through the Landlord. Tenant shall submit to Landlord plans and specifications for review and approval. Landlord's consent will be as timely as possible and not unreasonably withheld.
- E. All persons entering or leaving the Building after hours on Monday through Friday, or any time on Saturday, Sunday or holidays, may be

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required to do so under such regulations as the Landlord may impose. The Landlord may exclude or expel any peddler(s).

- F. The Tenant shall not overload any floor. The Landlord may direct the time and manner of delivery, routing and removal and the location of scales and other heavy articles.
- G. Unless the Landlord gives advance written consent, the Tenant shall not install or operate any steam or internal combustion engine, boiler, machinery, refrigerating or heating device or air-conditioning apparatus in or about the Premises or carry on any mechanical business therein. If the Tenant acquires approval from the Landlord for items such as supplemental air conditioning units, Tenant is required to provide to the Landlord the name of a qualified contractor responsible for maintaining the piece(s) of equipment. All cost associated with the maintenance and repair of non-building systems owned by the Tenant shall be borne by the Tenant.
- H. The Tenant shall cooperate fully with the Landlord to assure the effective operation of the Building's air-conditioning system, including the closing of blinds and drapes as requested by Landlord.
- I. The Tenant shall not contract for any work or service which might involve the employment of labor incompatible with the Building employees or employees of contractors doing work or performing services by or on behalf of the Landlord.
- J. The sidewalks, halls, passages, exits, entrances, elevators, and stairways shall not be obstructed by the Tenant or used for any purpose other than for ingress and egress from its Premises. Certain areas of the Premises are not for the use of the Tenants or the general public and the Landlord shall in all cases retain the right to control and prevent access there-to by all persons which, in the judgment of the Landlord, shall be prejudicial to the safety, character, reputation and interest of the Building and its Tenants. No Tenant and no employees or invitee's of any Tenant shall go upon the roof or mechanical floors of the Building.
- K. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupant of the Building by reason of noise, orders and/or vibrations, or interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. Tenant shall not engage in or permit the generation, treatment, storage or disposal of hazardous wastes or the disposal of petroleum or any other hazardous substance in a manner

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prohibited under any applicable state or federal law regarding hazardous wastes or substances, as amended from time to time, including but not limited to the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response Compensation and Liability Act.

- L. Tenant shall use care that all water faucets or water apparatus are entirely shut off before leaving the Building and all electricity shall likewise be carefully shut off so as to prevent waste or damage.

SECTION VIII: REPAIRS

Tenant shall give to Landlord prompt written notice of any damage to or defective condition in any part or appurtenance of the Building's plumbing, electrical, heating, air-conditioning or other systems located in or passing through the Premises. Tenant, at its expense will keep the Premises in good order, condition and repair during the term except that the Landlord, at the Landlord's expense (unless caused by the fault or negligence of the Tenant, its contractors, agents, or employees) shall keep in repair the elevators (if applicable), electrical lines, plumbing fixtures located in the Building, heating and air-conditioning equipment, outside walls including windows and roof.

SECTION IX: IMPROVEMENTS

- A. Any alterations or improvements performed and coordinated by the Tenant shall require approval/coordination by the Landlord. Landlord's consent will be as timely as possible and not unreasonably withheld. Tenant shall transfer one complete set of construction drawings and specifications to the Landlord prior to construction.
- B. Tenant's work shall be designed and constructed as to not impede with the existing building systems, i.e., electrical, mechanical, sprinkler, plumbing, life, safety.
- C. Tenant is responsible for obtaining all necessary building permits from the Municipality of Anchorage, as applicable. Upon completion of improvements Tenant shall transfer complete set of as-builts (to include: mechanical, electrical and plumbing) and copy of the Certificate of Occupancy/Final Inspection Report from the Municipality of Anchorage.
- D. The Landlord is not responsible for Tenant's contractor's damaged/missing tools, materials, etc.
- E. Landlord requires all Tenant improvements to be performed in such a manner as to reasonably minimize interference with the other business activities and shall be isolated from occupied areas of the Building at all times. In particular, visqueen shall be used on the common area flooring and above the suspended ceiling to minimize construction dust and debris from entering occupied areas. At the end of each work day, common areas shall be thoroughly cleaned and restored to

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presentable conditions. Common areas must be maintained to keep them free of accumulation of waste and debris and walls shall be cleaned and carpets vacuumed nightly. The common areas of the Building shall not be used for material deliveries during the hours of 7:30 am to 5:30 pm. Tenant must coordinate and schedule any utility disruption with the Landlord and Building Management 48 hours in advance. Construction work which would impair the Tenant's ability to engage in their normal course of business, such as concrete cutting or metal stud installations, shall be performed only during non-business hours.

- F. Tenant is required to transfer to Landlord a copy of its contractor's license and a Certificate of Insurance identifying the State of Alaska as an additional insured prior to construction.
- G. Tenant's contractor is not permitted to use the Property dumpster(s) unless approved in advance by the Landlord.

SECTION X: PARKING

- A. Tenant shall at all times during the initial term of this Lease have the parking rights as provided by the direction of the Atwood Building Steering Committee composed of the Commissioners of the tenant agencies. The Steering Committee will define the parking rights, responsibilities, and privileges in the Atwood Building Parking Policy.
- B. Landlord will issue parking access tags and garage reader cards to the Tenant in accordance with the Parking Policy.
- C. Landlord shall have the right to issue rules and regulations in accordance with the Parking Policy for the control and operation of said parking lots. Tenant hereby guarantees the allocated parking spaces are for the Tenant's use only. Tenant shall not sell, transfer or assign its parking rights to any other party.
- D. Tenant acknowledges that parking in parking lots/garage is at Tenant's (including employees and visitors) own risk and further acknowledges that all cars not properly displaying permits as issued may be towed by Landlord /Building Management at Tenant's expense.
- E. Replacement of lost or damaged reader cards or hanging tags is at the expense of the Tenant or its employees. Replacements may be obtained through the Building Management office.

SECTION XI: FIRST RIGHT OF REFUSAL FOR FUTURE SPACE

From time to time, space will become available in the building. Current tenants will have the following rights pertaining to this space in the order listed below:

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- A. The provision of food services provided through the Division of Vocational Rehabilitation will have the option on the space on the first floor.
- B. The Office of the Governor has the option on any space available on any floor.
- C. The Department of Natural Resources will have the first option on space on the first floor for the provision of direct public services such as the Public Information Center and the Recorder's Office.
- D. The Department of Community and Economic Development has option on space on any floor except the first floor to allow the migration of the offices that were left in the Frontier Building at the end of FY2000.
- E. Common use of the space by three or more of the departments will have the option on the all space on all floors.
- F. The department occupying sixty percent (60%) of a floor will have the option on any space available on the floor after FY2000.
- G. The department with the largest percentage of occupancy on a floor will have the option on any space available on the floor after FY2000.

Current Tenants will have 30 days to exercise their refusal rights. If a Tenant exercises the right to space, the Tenant will assume financial responsibility for the space on the date the space becomes available regardless of the time required to complete their desired Tenant improvements.

SECTION XII: EXHIBITS/ADDENDUM'S

- A. Exhibits/Addendum described above will be attached hereto and become part of this Agreement.
- B. Additional exhibits/Addendum approved by the Atwood Building Steering Committee may be attached hereto and become part of this Agreement.

IN WITNESS WHERE OF, Landlord and Tenant have respectively signed and sealed this lease as of the day and year written.

LANDLORD:
State of Alaska
Department of Administration

TENANT:
State of Alaska
Office of the Governor

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Commissioner

Agency Head

By: _____
(Commissioner/Agency Head)

By: _____
(Agency Head)

Date: _____

Date: _____